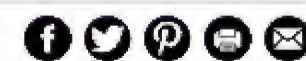


# Church Finances and a Growing Global Faith

NEWS RELEASE

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Today on LDS.org, Presiding Bishop Gérald Caussé published [a companion article](#) to his recent remarks at the 2018 Church History Symposium, “Financing Faith: The Intersection of Business and Religion.” In conjunction with Bishop Caussé’s article and talk, the following materials provide additional context regarding Church finances.

[Jump to Q&A below.](#)

The Church of Jesus Christ of Latter-day Saints has a singular purpose: to invite all people to come unto Christ. The Church is not a financial or profit-making institution; it uses resources to carry out its divinely appointed mission. The Church is a steward of the tithes and generous donations provided by its members, and it practices the principles it teaches — avoiding debt, living within a budget and preparing for the future.

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Following sound financial principles over an extended period of time, the Church has grown from meager beginnings into a worldwide organization able to support its divine mission. Its current relative prosperity only reflects the faith of its members in keeping the law of tithing and the accomplishment in their lives of the Lord’s often-repeated promise that “inasmuch as ye shall keep my commandments ye shall prosper in the land” (Alma 9:13).

The Church uses its resources to pursue the Lord’s work by:

- Sharing the message of Jesus Christ throughout the world.
- Building and maintaining places of worship to strengthen individuals and communities (stakes, districts, wards and branches).
- Providing welfare, humanitarian assistance and emergency response to alleviate suffering and help people achieve self-reliance.
- Promoting spiritual and secular learning through the Church Educational System (seminaries, institutes, universities and other higher education initiatives).
- Building and operating temples and sustaining family history work to strengthen families.
- Supporting general institutional administration.

Resources used to carry out this work come principally from the tithing donations of Church members. A small portion of funds comes from businesses maintained by the Church.



The Church's Council on the Disposition of the Tithes is composed of the First Presidency, the Quorum of the Twelve Apostles and the Presiding Bishopric. Together, they establish and administer the specific policies and budgets guiding the use of Church resources (see D&C 120:1). Those policies embody the following principles:

- Expenditures will not exceed forecasted revenue.
- The budget for operating expenses will not increase at a more rapid rate than anticipated tithing contributions.

Budgets for the Church's efforts are specifically approved and funds are appropriated by the Church's Budget and Appropriations Committee, a subcommittee of the Council on the Disposition of the Tithes. Additionally, the Church Auditing Department, which is independent from all other Church departments, employs credentialed professionals to ensure that Church funds are administered and recorded in accordance with Church policies and standard accounting practices.

### *CHURCH RESERVES*

Church members are taught to "gradually build a financial reserve by regularly saving [a portion of their income]" (*Providing in the Lord's Way: Summary of a Leader's Guide to Welfare* [booklet, 2009], 2). The Church applies this same principle in its own savings and investments. In addition to food and emergency supplies, the Church also sets aside funds each year for future needs. These funds are added to Church reserves, which include stocks and bonds, taxable businesses, agricultural interests and commercial and residential property. Investments can be accessed in times of hardship or to meet the emerging needs of a growing, global faith in its mission to preach the gospel to all nations and prepare for the Second Coming of Jesus Christ (see Gérald Caussé, "In the Lord's Way: The Spiritual Foundations of Church Financial Self-Reliance," *Mormon Newsroom*, Mar. 2, 2018).

Some investments serve a dual purpose. For example, Church President Gordon B. Hinckley stated that "we have felt that good farms, over a long period, represent a safe investment where the assets of the Church may be preserved and enhanced, while at the same time they are available as an agricultural resource to feed people should there come a time of need" ("The State of the Church," *Ensign*, May 1991, 54). Another example is the Church's participation in the development of downtown Salt Lake City. With its investment in the City Creek Center (a mixed-use development that includes retail space, residential units, office space and parking), the Church enhanced the environs of Temple Square and underscored a commitment to Salt Lake City, Utah, where it is headquartered. The investment increased local economic activity during a financial downturn and attracted visitors and residents to Salt Lake City's historic downtown.

The Church's reserves are overseen by Church leaders and managed by professional advisers, consistent with wise and prudent stewardship and modern investment management principles. Ultimately, all funds earned by the Church's investments go back to supporting its mission to invite souls to come unto Christ.

### *COMMERCIAL BUSINESSES*

While the vast majority of its financial resources comes from the tithes and offerings of Church members, the Church also holds business interests that help in accomplishing its mission.

"Essentially," President Gordon B. Hinckley explained, "the business assets which the Church has today are an outgrowth of enterprises which were begun in the pioneer era of our history when we were isolated in the valleys of the mountains of western America."

President Hinckley noted the sugar beet industry, the Hotel Utah, media and merchandising interests as examples of early Church enterprises. "The Church has maintained certain real estate holdings," he continued, "particularly those contiguous to Temple Square, to help preserve the beauty and the integrity of the core of the city. All of these commercial properties are tax-paying entities." He observed that "the combined income from all of these business interests is relatively small and would not keep the work going for longer than a very brief period" ("Questions and Answers," *Ensign*, Nov. 1985, 49).

### *TAXES*

Latter-day Saints believe in "obeying, honoring, and sustaining the law" (Articles of Faith 1:12). Accordingly, the Church and its affiliated entities pay taxes and other governmental levies as required by the laws of each country in which the Church functions. In the United



levies as required by the laws of each country in which the Church functions. In the United States, where churches and other nonprofit organizations are generally exempt from federal and state income tax, the Church pays taxes on any income it derives from revenue-producing activities that are regularly carried on and are not substantially related to its tax-exempt purposes. Church-affiliated entities that are organized as for-profit corporations pay regular federal and state corporate income taxes on their net income. The Church and its affiliated entities also pay property taxes on property that is not used for religious, educational, or charitable purposes, including taxes on undeveloped land and properties held for investment or commercial purposes. Government fees, levies and assessments are paid in connection with the development of Church property. The Church also pays federal and state employer taxes and withholds and remits employee payroll taxes. Where applicable, the Church and its affiliated entities pay state and local sales and use taxes.

#### *CONCLUSION*

Presiding Bishop Gérald Caussé has said, “We are the Church of Jesus Christ, and this Church has no other objective than that which the Lord Himself assigned to it; namely, to invite all to ‘come unto Christ, and be perfected in him’ (Moroni 10:32), by ‘helping members to live the gospel of Jesus Christ, gathering Israel through missionary work, caring for the poor and needy, and enabling the salvation of the dead by building temples and performing vicarious ordinances’” (“In the Lord’s Way: The Spiritual Foundations of Church Financial Self-Reliance,” Mormon Newsroom, Mar. 2, 2018).

#### *Q&A*

1. [How does the Church use tithes and other funds?](#)
2. [Why does the Church need financial resources?](#)
3. [Why doesn’t the Church publish its financial information?](#)
4. [Is the Church a rich church?](#)
5. [Does the Church pay taxes?](#)
6. [What controls are in place to prevent the misuse of funds?](#)
7. [Does the Church have investment reserves?](#)
8. [What kinds of investments does the Church possess?](#)
9. [Does the Church have resources invested in the stock market?](#)
10. [How does the Church choose stocks and bonds in which to invest?](#)
11. [Where does the money for the Church’s reserves come from?](#)
12. [Why does the Church maintain financial reserves when there are so many unmet humanitarian needs currently in the world?](#)
13. [Why does the Church ask members with limited means to donate 10 percent of their income as tithing?](#)
14. [How and when are Church reserve funds used?](#)

#### **Q: How does the Church use tithes and other funds? Why does the Church need financial resources?**

The Church of Jesus Christ of Latter-day Saints was established to preach the gospel of Jesus Christ and invite all to follow Him. This is a broad, worldwide work that requires considerable resources. The Church supports more than 30,000 congregations and maintains thousands of chapels and meetinghouses; it operates employment centers, storehouses, family history



centers, seminaries and institutes, schools, universities and other higher education initiatives, and 159 temples around the world (with another 30 announced or under construction). The Church oversees approximately 70,000 missionaries in hundreds of proselytizing, service and humanitarian missions. This work continues to grow, often in areas with significant temporal needs. To accomplish this work, the Church follows the financial principles it teaches: living within a budget, avoiding debt and saving and investing for the future.

[Return to Q&A list](#)

**Q: Why doesn't the Church publish its financial information?**

The Church is not a financial institution or a commercial corporation. It has no other objective than preaching the gospel and inviting all to come unto Christ. While the Church chooses not to publish the details of its finances, the Church does provide public information on the financial principles it follows, the financial controls in place to protect Church funds and the source and use of these funds. The Church also provides all financial information required by law.

[Return to Q&A list](#)

**Q: Is the Church a rich church?**

Some people occasionally describe the Church as a prosperous organization. However, the strength of the Church cannot be measured by its financial holdings or real estate assets. As President Gordon B. Hinckley said, "When all is said and done, the only real wealth of the Church is in the faith of its people" ("The State of the Church," 54). The relative current prosperity of the Church only reflects the faith of its members in observing the law of tithing and other guiding principles such as provident living and self-reliance. It is based on the Lord's promise that "inasmuch as ye shall keep my commandments ye shall prosper in the land." This promise appears in 18 verses of the Book of Mormon, and Latter-day Saints believe it continues to apply today.

Additionally, some people may try to attach a monetary value to the Church in the same way they would assess the assets of a commercial corporation. Such comparisons simply do not hold up. For instance, a corporation's branch offices or retail outlets have to be financially justified as a source of profit. But every time the Church builds a place of worship, the building becomes a consumer of assets and a financial obligation that has to be met through worldwide member donations. The ongoing maintenance and upkeep, utilities and use of the building can only be achieved as long as faithful members continue to support the Church.

[Return to Q&A list](#)

**Q: Does the Church pay taxes?**

The Church of Jesus Christ of Latter-day Saints pays all taxes that are required by law. Latter-day Saints believe in "obeying, honoring, and sustaining the law" (Articles of Faith 1:12). Worldwide, the Church and its affiliated entities pay applicable taxes and other governmental levies. In the United States, where churches and other nonprofit organizations are generally exempt from federal and state income tax, the Church pays taxes on any income it derives from revenue-producing activities that are regularly carried on and are not substantially related to its tax-exempt purposes. Church-affiliated entities that are organized as for-profit corporations pay regular federal and state corporate income taxes on their net income. The Church and its affiliated entities also pay property taxes on property that is not used for religious, educational or charitable purposes, including taxes on undeveloped land and properties held for investment or commercial purposes. Government fees, levies and assessments are paid in connection with the development of Church property. The Church also pays federal and state employer taxes and withholds and remits employee payroll taxes. Where applicable, the Church and its affiliated entities pay state and local sales and use taxes.

[Return to Q&A list](#)

**Q: What controls are in place to prevent the misuse of funds?**

Church leadership is very aware of the sacred nature of Church resources and takes great care to ensure that tithes and other funds are used prudently and are protected from misuse. Any person found misusing sacred tithes or other donations is subject to Church discipline.

The expenditure of Church funds is approved by the First Presidency, the Quorum of the



Twelve Apostles and the Presiding Bishopric. These senior leaders counsel together and make decisions to allocate funds. Additionally, certified professionals perform regular audits to ensure strict adherence to standard accounting principles and Church policies. Auditors are also called locally to perform periodic audits in wards and branches following detailed guidelines and processes provided by the Church.

[Return to Q&A list](#)

**Q: Does the Church have investment reserves? What kinds of investments does the Church possess?**

The Church maintains diversified reserves — including common stocks and bonds, interests in taxable businesses, commercial and residential real estate and agricultural properties — to provide financial support for the Church’s ongoing and future operations. These funds are invested solely to support the Church’s mission to preach the gospel to all nations and prepare for the Lord’s Second Coming. Some Church investments, such as agricultural interests, preserve and enhance Church resources but may also be deployed to meet acute needs.

[Return to Q&A list](#)

**Q: Does the Church have resources invested in the stock market?**

Yes. These funds are part of the financial reserves that allow the Church to address needs as it continues to grow and administer programs around the world. Each year, the Church sets aside a portion of its funds to save and invest.

[Return to Q&A list](#)

**Q: How does the Church choose stocks and bonds in which to invest?**

The Church strives to be a good steward of these resources and has certified professionals invest Church funds in a broad and diversified manner. Professional financial advisers select and manage specific investments.

[Return to Q&A list](#)

**Q: Where does the money for the Church’s reserves come from?**

The vast majority of Church operations are funded through the sacred tithes and offerings given by members. The Church operates within its means and sets aside a portion of its funds each year. The Church follows the financial principles it teaches: living within a budget, avoiding debt, and saving and investing for the future.

[Return to Q&A list](#)

**Q: Why does the Church maintain financial reserves when there are so many unmet humanitarian needs currently in the world?**

The Church has spent billions of dollars over the past few years to meet welfare and humanitarian needs around the world. We anticipate that these needs will continue to increase over time. Church affiliated, for-profit entities also contribute to The Church of Jesus Christ of Latter-day Saints Foundation, which gives to various charitable causes. Church members donate their own time and resources to support many other charitable endeavors. This is part of the Church’s divine mission.

In addition to humanitarian and welfare efforts, Church financial reserves provide resources to sustain the Church’s future growth as prophecy is fulfilled that the gospel of Jesus Christ will be taught and the Church established in all nations of the earth until the Savior’s return. Ever-increasing financial means are needed to preach the message of Jesus Christ throughout the world, build and operate a fast-growing number of temples and houses of worship, and provide educational and other opportunities to lift people out of poverty and promote self-reliance.

[Return to Q&A list](#)

**Q: Why does the Church ask members with limited means to donate 10 percent of their income as tithing?**

Latter-day Saints believe that God promises and provides spiritual and temporal blessings to those who follow His commandments, including the commandment to tithe. Tithing is a spiritual principle through which the Lord funds His Church. The Church is acutely concerned with helping individuals rise out of poverty; it dedicates significant resources toward educational, humanitarian and welfare efforts, aimed at helping people achieve personal



educational, humanitarian and welfare efforts aimed at helping people achieve personal self-reliance. Paying a full tithe is an act of faith and obedience to God’s commandments. Those who choose to pay tithing often attest to the blessings that come from their decision.

[Return to Q&A list](#)

Q: How and when are Church reserve funds used?

Historically, when resources have been scarce or when there have been demands associated with growth, reserve funds have been available to assist in supporting the operations of the Church.

Reserve funds provide for the future. Church financial reserves assure resources will be available to sustain the Church’s future growth as prophecy is fulfilled that the gospel of Jesus Christ will be taught and the Church established in all nations of the earth until the Savior’s return. The Church anticipates building additional chapels and temples. Welfare and humanitarian efforts will continue to increase. Missionary work, education needs and other programs to benefit people around the world will require additional resources. Whether Church funds are from reserves or directly from the tithes of members, all are used for the singular purpose of supporting the mission of the Church. Reserve funds exist for no other reason.

[Return to Q&A list](#)



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STYLE GUIDE NOTE: When reporting about The Church of Jesus Christ of Latter-day Saints, please use the complete name of the Church in the first reference. For more information on the use of the name of the Church, go to our online [Style Guide](#).

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